

3/15/19

2:10 P.M.

Chapter No. 330
19/HR31/R1743CS
KTW AM

HOUSE BILL NO. 962

Originated in House



Clerk

HOUSE BILL NO. 962

AN ACT TO AMEND SECTION 89-1-69, MISSISSIPPI CODE OF 1972, TO CLARIFY THE EXCEPTIONS TO THE PROHIBITION AGAINST COVENANTS REQUIRING PAYMENT OF A FEE UPON THE TRANSFER OF REAL PROPERTY; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 89-1-69, Mississippi Code of 1972, is amended as follows:

89-1-69. (1) In this section, "property owners' association" means an incorporated or unincorporated association that:

(a) Is designated as the representative of the owners of property in a subdivision;

(b) Has a membership primarily consisting of the owners of the property covered by the dedicatory instrument for the subdivision; and

(c) Manages or regulates the subdivision for the benefit of the owners of property in the subdivision.

(2) A deed restriction or other covenant running with the land applicable to the conveyance of real property that requires a transferee of real property or the transferee's heirs, successors, or assigns to pay a declarant or other person imposing the deed restriction or covenant on the property or a third party designated by a transferor of the property a fee in connection with a future transfer of the property is prohibited. A deed restriction or other covenant running with the land that violates this section or a lien purporting to encumber the land to secure a right under a deed restriction or other covenant running with the land that violates this section is void and unenforceable. For purposes of this section, a conveyance of real property includes a conveyance or other transfer of an interest or estate in real property.

(3) This section does not apply to a deed restriction or other covenant running with the land that requires a fee associated with the conveyance of property in a subdivision that is payable to:

(a) A property owners' association that manages or regulates the subdivision or the association's managing agent if the subdivision contains more than one (1) platted lot and the right to collect a fee in connection with a future transfer of the property is evidenced by a deed restriction or covenant running with the land filed in the public land records;

(b) An entity organized under Section 501(c)(3), Internal Revenue Code of 1986 if the entity has a right to collect a fee in connection with a future transfer of the property evidenced by a deed restriction or covenant running with the land filed in the public land records; or

(c) A governmental entity.

SECTION 2. This act shall take effect and be in force from and after July 1, 2019.

PASSED BY THE HOUSE OF REPRESENTATIVES
February 7, 2019


SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
March 6, 2019


PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR


GOVERNOR

March 15, 2019
2:10pm